

expressly for charging telephone calls. This CIID card number would be accommodated by BPP without any additional industry investments.

Thus, it is clear that there is not sufficient demand to warrant the additional development costs needed to support commercial credit cards in a BPP environment. Any need that does exist in the marketplace can be adequately accommodated by the current joint card partnering arrangements which use access codes in combination with the credit card numbers for billing calls.

If, however, the Commission determines that acceptance of commercial credit cards in BPP is in the public interest, then the commercial credit card industry should be expected to conform to telecommunications industry standards. As an initial matter, the commercial credit card companies should comply with the true intent of BPP by insuring that the end user is allowed to select his or her 0+ carrier. The credit card associations should not be allowed to make the carrier selection for the customer. In addition, the commercial credit card companies should use a standard telecommunications industry numbering format so that the LECs and the IXC's can identify the card issuer. They should develop a LIDB-like database for validating the commercial calling card number and identifying the end user's preferred carrier, and the database should be accessible through industry

standard interfaces. Adequate fraud controls also would have to be developed³⁰

MCI agrees with the LECs that a balloting procedure as extensive as that used to select 1+ equal access carriers is not necessary with BPP. However, the comments demonstrate that in order to ensure that all consumers can take advantage of the benefits of BPP and equal access for operator services, it is imperative that consumers receive appropriate notification when this capability is available.³¹ The LECs are in the best position to notify consumers when BPP is available and they should be required to do so.

The notification should be in the form of a bill insert or postcard. In order to minimize cost, the notification initially could be sent to LEC cardholders only. It should explain that the consumer now has the right to choose a 0+ carrier and should instruct the consumer to contact his or her LEC or preferred long distance carrier to make a selection. Provisions must be made, therefore, for either entity to take orders and pass the necessary account information to the other. Non-respondents should be defaulted to their 1+ carrier as their 0+ carrier. Only one communications piece should be required.

³⁰ To date, commercial credit card vendors have had tremendous problems with fraud such that VISA has restricted the use of its cards for telephone calls.

³¹ See, Comments of Ameritech, Bell South, NYNEX and US West.

Finally, MCI opposes the comments of Bell Atlantic and NYNEX that IXCs should not be allowed to charge different rates for calls placed via 0+ and calls placed via calling cards by dialing access codes. Cost structures, market demand and overall product functionality are among the key determinants of a price structure, and there may be variations among these three factors for 0+ services and access code services. Therefore, pricing must be allowed to vary in relation to the differences in these factors.


IV. CONCLUSION

Based on the foregoing reply comments and MCI's comments in this proceeding, MCI urges the Commission to find BPP in the public interest and to order its implementation in the public network without delay.

Respectfully submitted,

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Dated: August 27, 1992

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ATTACHMENTS

TABLE 1

	SET UP COSTS OF BPP	COSTS PER LINE	COSTS PER CENTRAL OFFICE
Ameritech	\$ 52,470,000	\$ 3.27	\$ 38,524
Bell Atlantic	\$ 86,000,000	\$ 5.03	\$ 62,728
Bell South	\$120,681,000	\$ 6.90	\$ 72,831
NYNEX	\$ 82,630,041	\$ 5.49	\$ 62,694
Pacific Bell	\$116,000,000	\$ 8.27	\$135,831
Southwestern	\$127,000,000	\$10.82	\$ 93,451
US West	\$149,005,000	\$12.01	\$ 82,051
GTE	\$ 84,000,000	\$ 6.14	\$ 21,467
United	\$ 53,134,000	\$16.32	\$ 51,238
TOTAL	\$873,920,041	-----	-----
AVERAGE	-----	\$ 7.92	\$ 61,110

TABLE 2**COMPARISON OF SPECIFIC COST ITEMS**

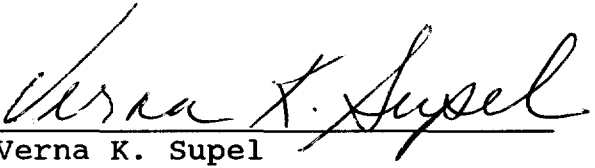
	BALLOTING	END OFFICE OS UPGRADES	OPERATORS	AABS
Ameritech per line	\$13,100,000 \$0.82			
Bell Atlantic		NO DETAIL		
Bell South per line	\$ 5,220,000 \$0.31	\$72,300,000 \$4.23	\$ 5,502,000 \$0.32	\$16,027,000 \$0.94
NYNEX per line	\$19,320,226 \$1.28		\$13,710,167 \$0.91	
Pacific Bell per line	\$ 5,000,000 \$0.36	\$69,000,000 \$4.92		\$17,000,000 \$1.21
Southwestern		NO DETAIL		
US West per line	\$ 1,064,000 \$0.09	\$68,000,000 \$5.48	\$21,000,000 \$1.69	\$25,300,000 \$2.04
GTE		NO DETAIL		
United per line				\$41,134,000 \$12.63

TABLE 3

	ONGOING COSTS OF BPP	COSTS PER LINE	COSTS PER CENTRAL OFFICE
Ameritech	\$29,281,000	\$1.82	\$21,499
Bell Atlantic	\$ 8,600,000	\$0.50	\$ 6,273
Bell South	\$88,554,000	\$5.06	\$53,442
NYNEX	\$35,100,000	\$2.33	\$26,631
Pacific Bell	\$26,000,000	\$1.85	\$30,445
Southwestern	NO ESTIMATE PROVIDED		
US West	\$21,000,000	\$1.69	\$11,564
GTE	\$23,000,000	\$1.68	\$ 5,878

CERTIFICATE OF SERVICE

I, Verna K. Supel, do hereby certify that on this 27th day of August, 1992, copies of the foregoing **"Reply Comments"** in CC Docket No. 92-77 were served by first-class mail, postage prepaid, unless otherwise indicated, upon the parties on the attached list.


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